



**9M 2017  
Results Briefing  
15 November 2017**



# Presenters



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# Notice

This presentation should be read in conjunction with Olam International Limited's Financial Statements for the Third Quarter ("Q3 2017") and Nine Months ended September 30, 2017 ("9M 2017") and Management Discussion and Analysis lodged on SGXNet on November 15, 2017.

# Cautionary note

## on forward-looking statements

This presentation may contain statements regarding the business of Olam International Limited and its subsidiaries ('Group') that are of a forward-looking nature and are therefore based on management's assumptions about future developments.

Such forward looking statements are intended to be identified by words such as 'believe', 'estimate', 'intend', 'may', 'will', 'expect', and 'project', and similar expressions as they relate to the Group. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors.

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect Olam's future financial results are detailed in our listing prospectus, listed in this presentation, or discussed in today's news release and in the Management Discussion and Analysis section of the Company's Third Quarter and Nine Months ended September 30, 2017 results report and filings on SGXNet. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward-looking statements.





# Agenda

- **9M 2017 highlights**
- **Segmental review**
- **Key takeaways**





# 9M 2017 highlights





# 9M 2017 results

## At a glance

### Volume

14,739 MT  
**+44.4%**

### EBITDA

S\$1,015 M  
**+18.9%**

### PATMI

S\$316 M  
**+26.7%**

### Operational PATMI

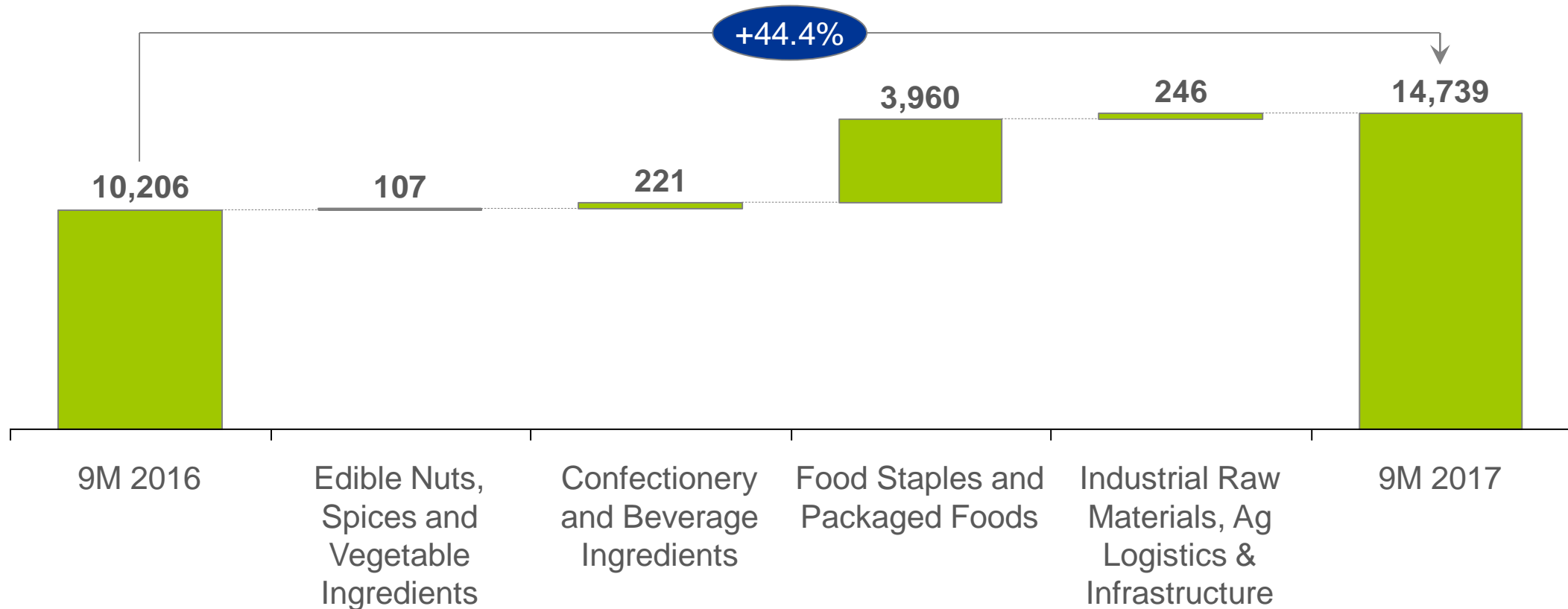
S\$322 M  
**+23.1%**

# Volume growth from all segments

## Led by volumes in Food Staples & Packaged Foods



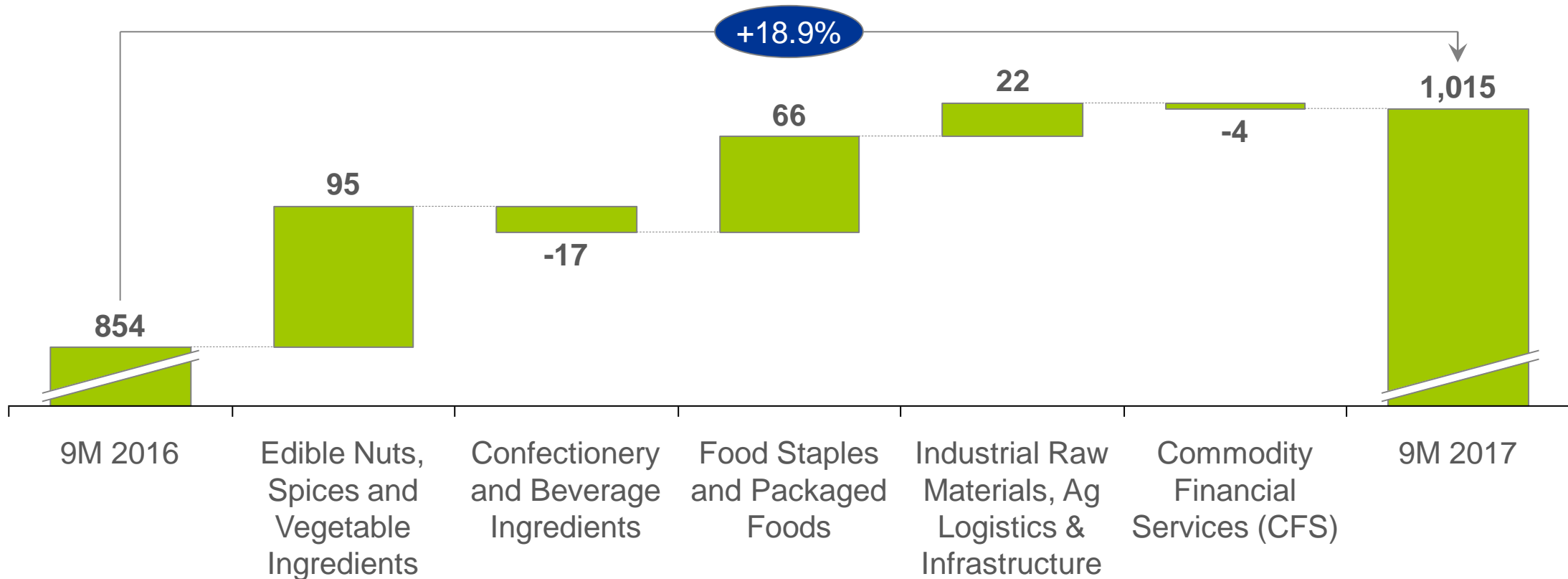
Volume by segment, '000 MT





# EBITDA grew 18.9%

**EBITDA by segment, S\$ million**

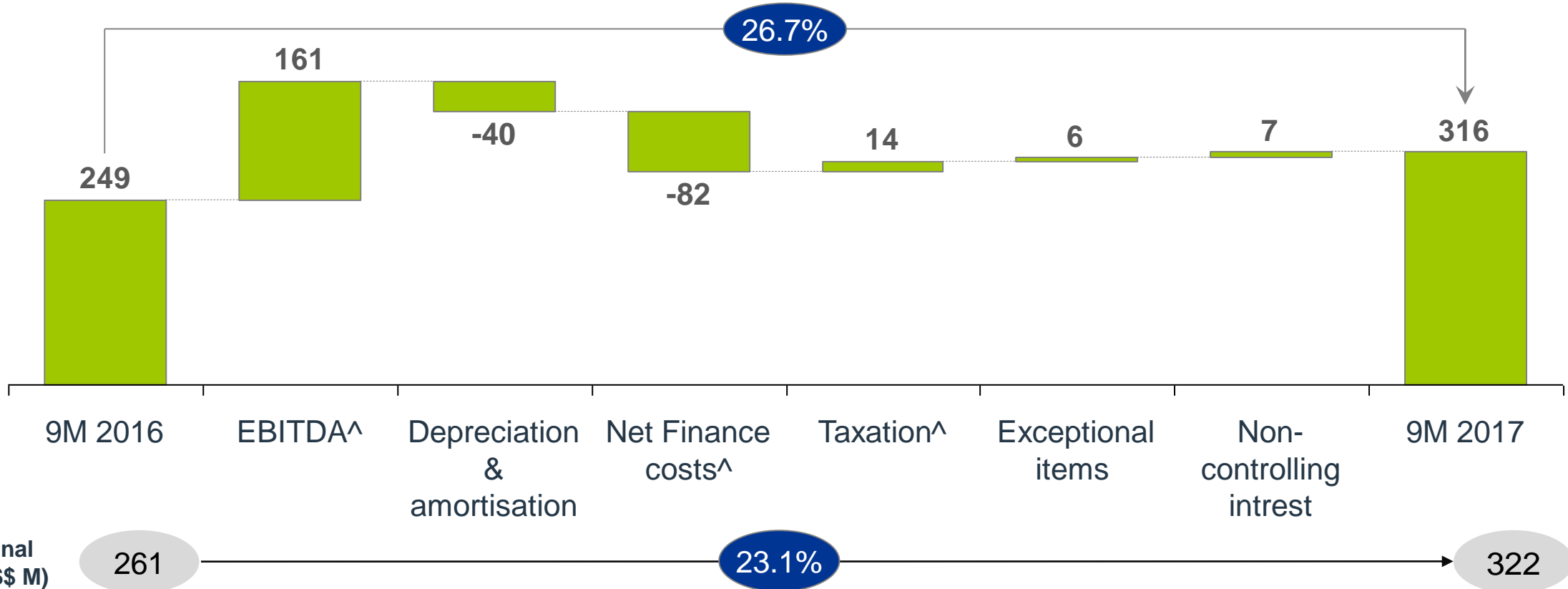


# PATMI grew 26.7%

## Operational PATMI grew 23.1%

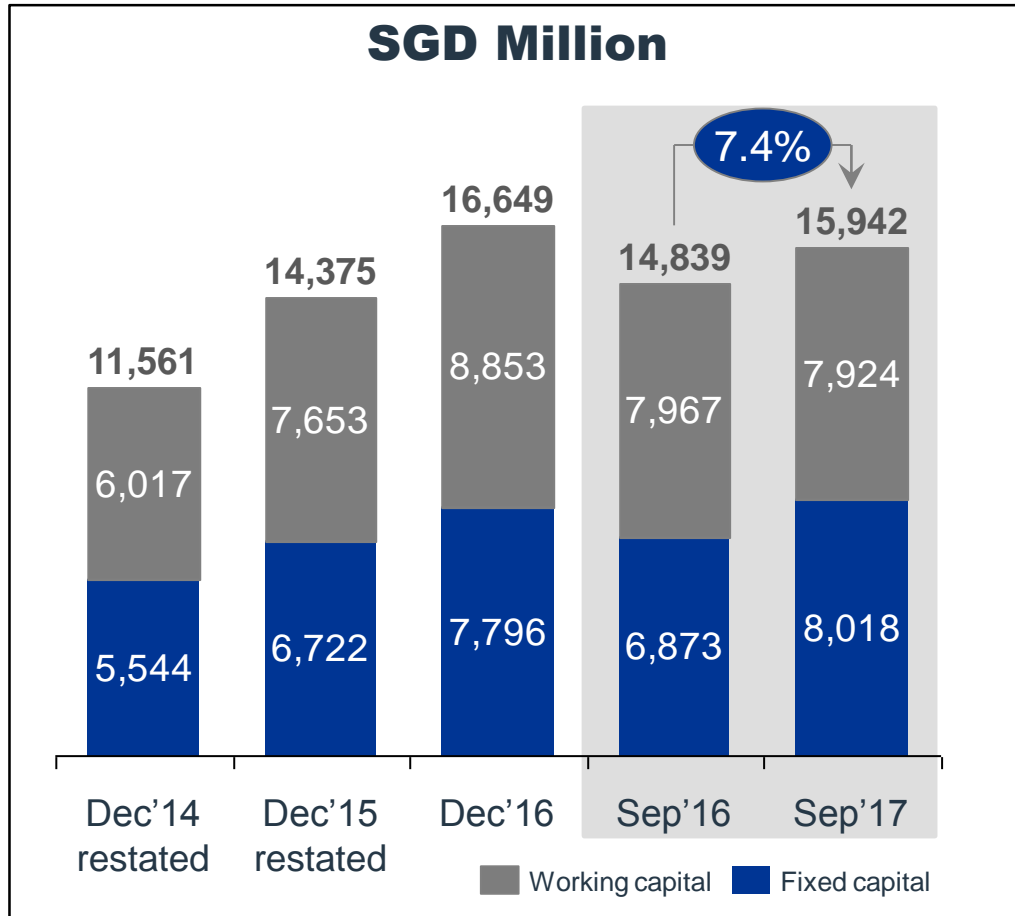


**PATMI and Operational PATMI, S\$ Million**



<sup>^</sup> Excludes exceptional items

# 7.4% increase in invested capital



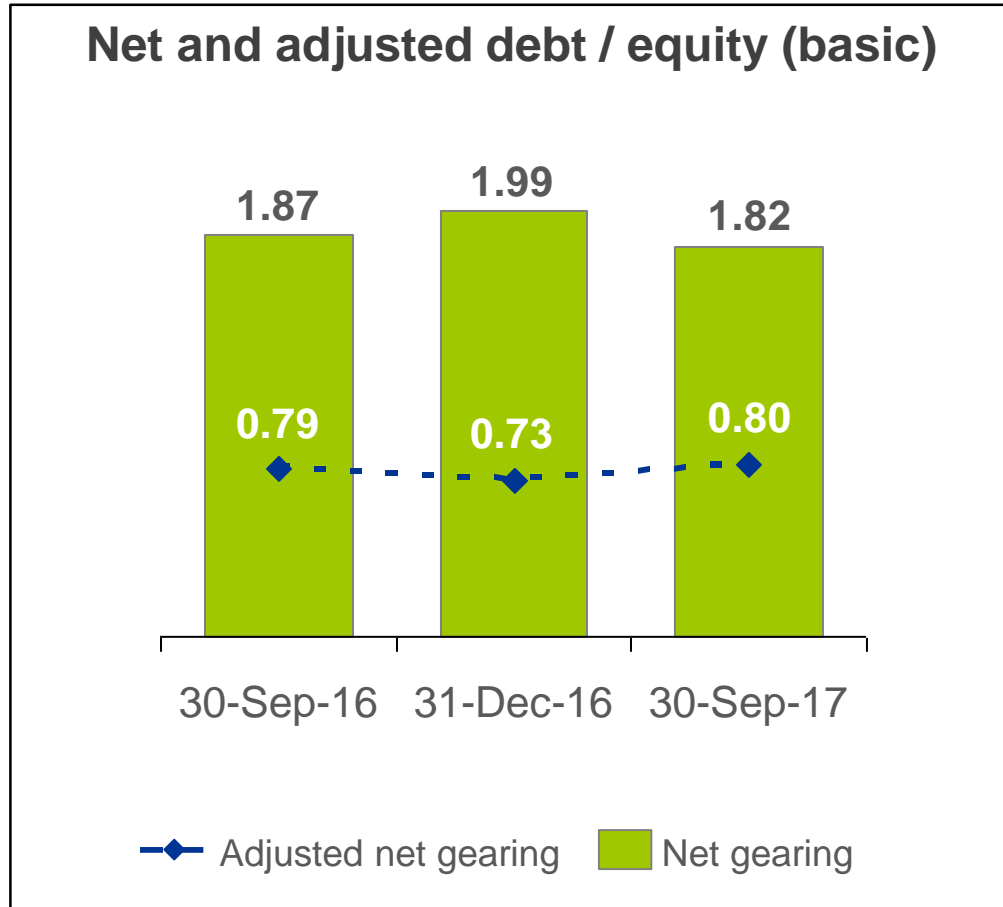
- Fixed Capital increased with continued committed investments in upstream and midstream assets
- Working Capital remained flat despite the year-on-year volume (+44.4%) and revenue increase (+31.5%)

Invested Capital excludes:

- (a) Gabon Fertiliser Project (30 Sep 2017: S\$244.5 million; 31 Dec 2016: S\$224.8 million, 30 Sep 2016: S\$221.1 million); and
- (b) Long-term Investments (30 Sep 2017: S\$273.9 million; 31 Dec 2016: S\$148.4 million, 30 Sep 2016: S\$161.3 million)

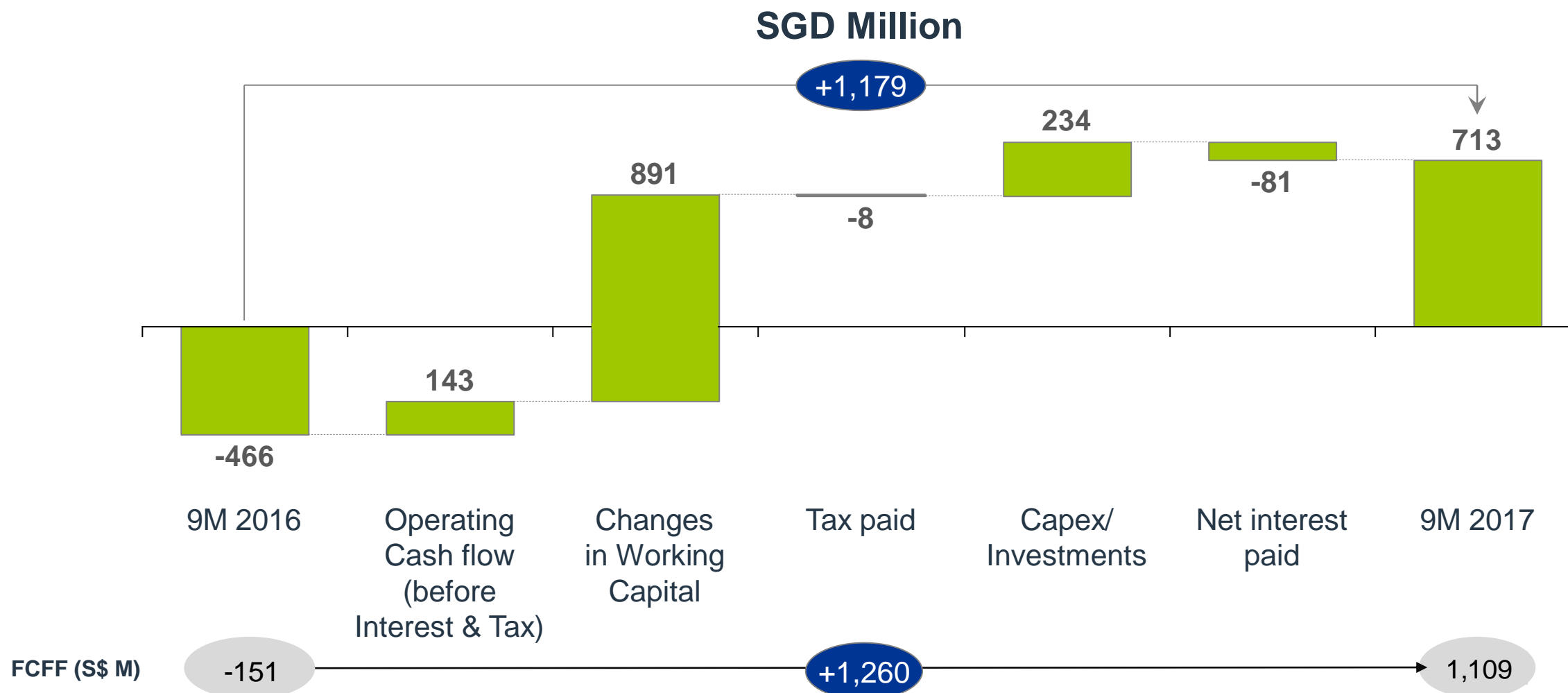


# Net gearing reduced



- Reduction due to lower net debt compared with end-Dec 2016
- Net gearing slightly down from end-Sep 2016
- Post Sep 30, 2017, additional warrants have been exercised and converted into shares, increasing equity by US\$311.8 million.

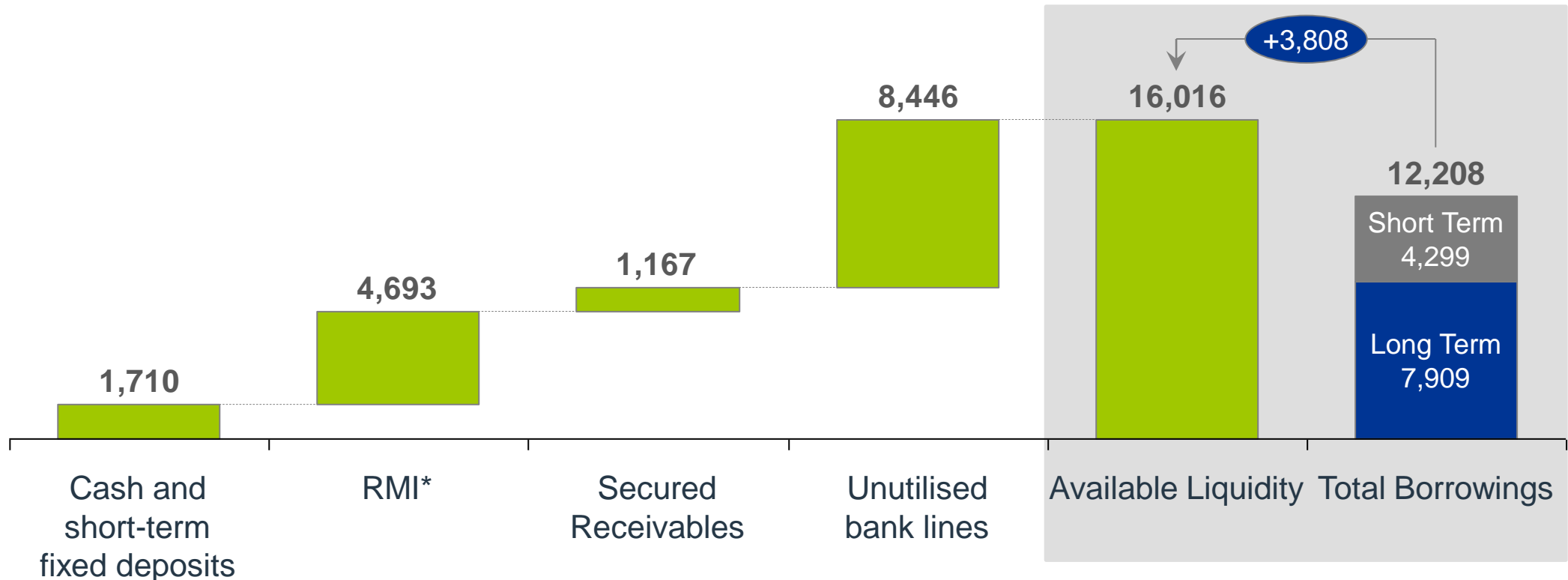
# FCFE improved by S\$1.2 B



# Available liquidity

Sufficient to cover all repayment and capex obligations

**Total borrowings and available liquidity, S\$ Million as at 30 September 2017**



\* RMI: inventories that are liquid, hedged and/or sold forward



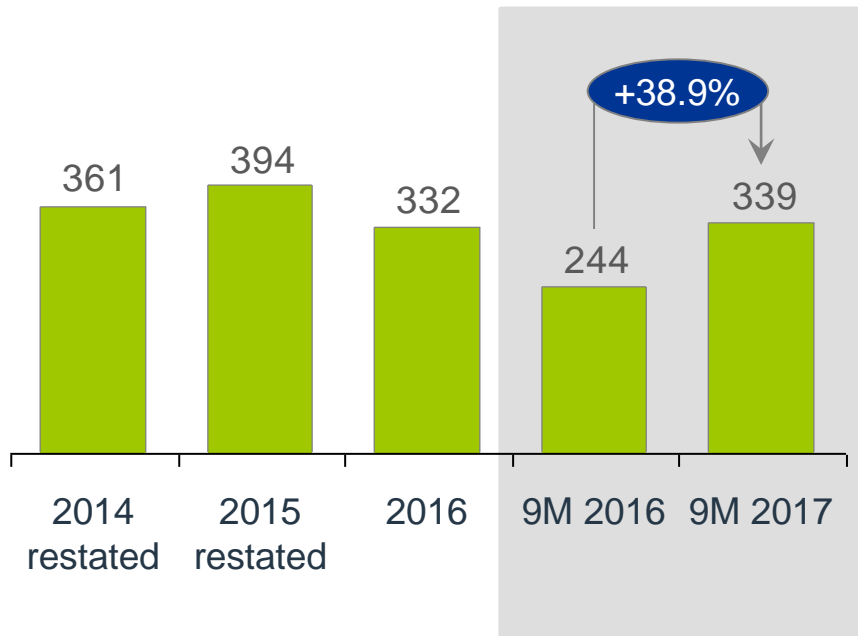


# Segmental review



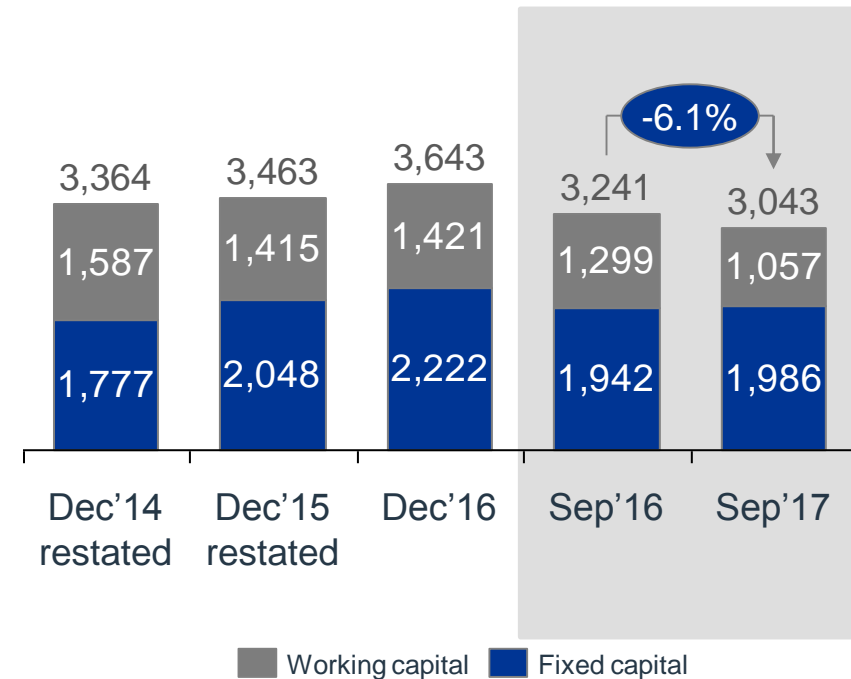
# Edible Nuts, Spices & Vegetable Ingredients

### EBITDA, S\$ Million



- EBITDA up on stronger contribution from almonds, cashew, peanuts and sesame
- Olam Tomato Processors continued to underperform in 9M 2017; restructuring efforts underway to address cost and product mix strategies

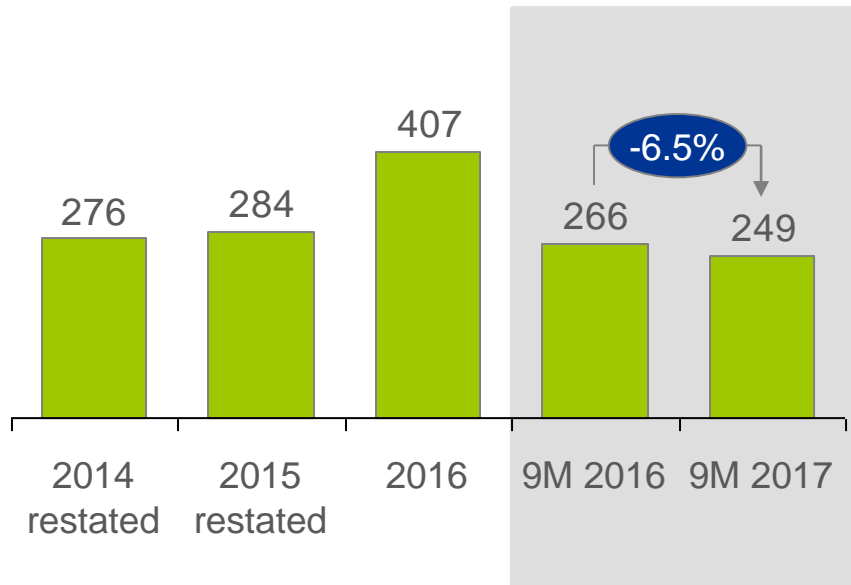
### Invested capital, S\$ Million



- Lower Working Capital on reduced prices of peanuts and tomato products

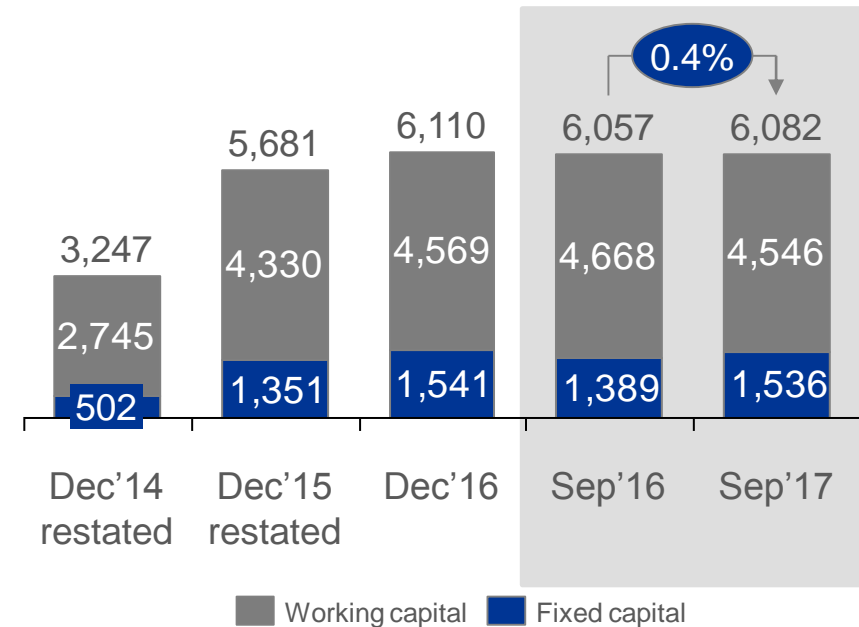
# Confectionery & Beverage Ingredients

### EBITDA, S\$ Million



- EBITDA declined due to reduced Cocoa contribution from continued margin pressures for both the supply chain and products trading businesses while processing did very well
- Compared to a strong H1 2017 for Coffee, tougher trading conditions in Q3 2017 impacted EBITDA

### Invested capital, S\$ Million

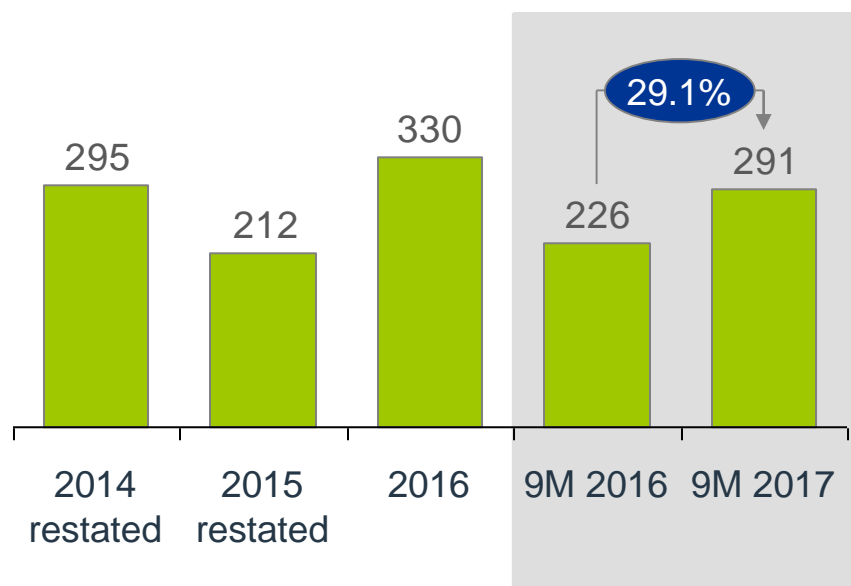


- Higher Fixed Capital from continued expansion of soluble coffee capacity and coffee plantations
- Reduced Working Capital due to targeted optimisation initiatives and lower cocoa and coffee prices



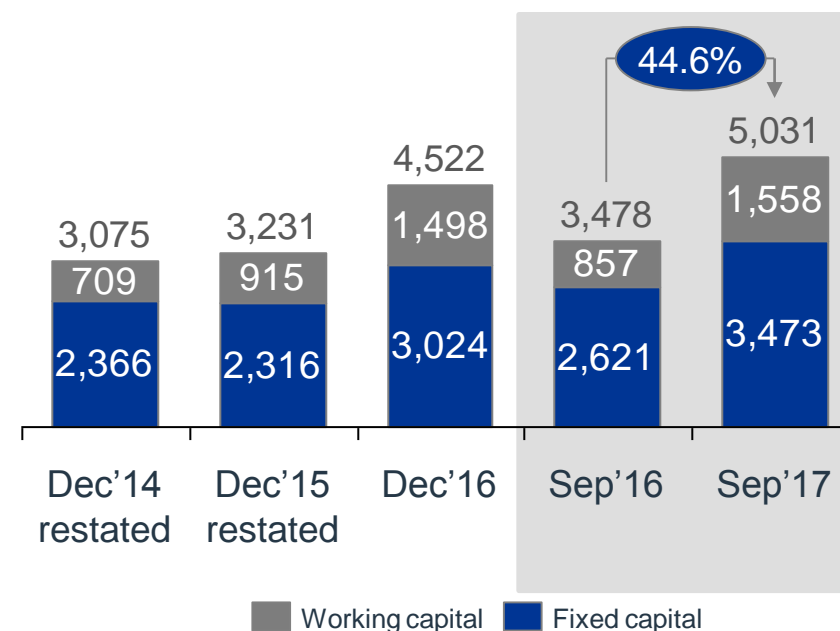
# Food Staples & Packaged Foods

### EBITDA, S\$ Million



- Improved EBITDA driven by Grains and Animal Feed, Dairy, Rice and Sugar refining in 9M 2017

### Invested capital, S\$ Million

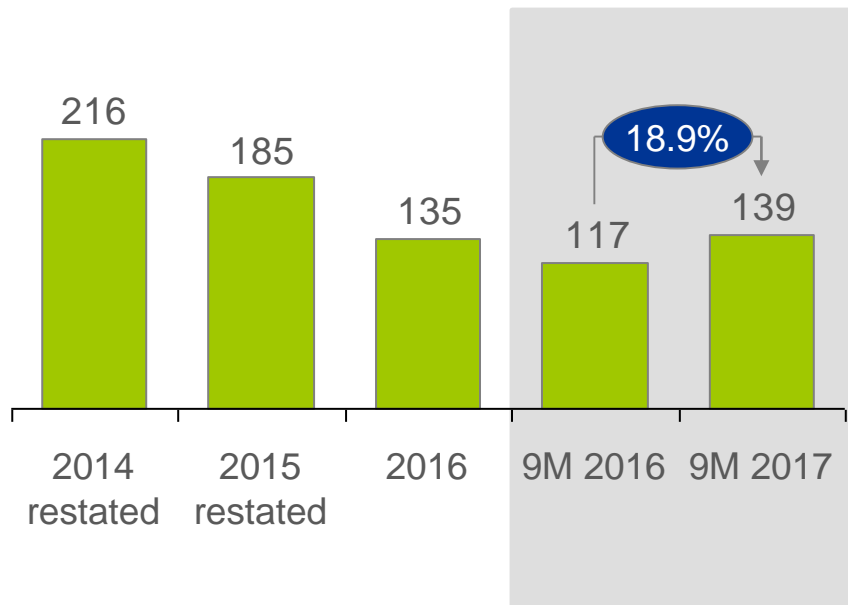


- Higher Fixed Capital due to construction of Animal Feed mills and hatchery in Nigeria, expansion of wheat milling capacity and continued investments in upstream palm in Gabon
- Working Capital growth caused by higher volumes

# Industrial Raw Materials, Ag Logistics & Infrastructure

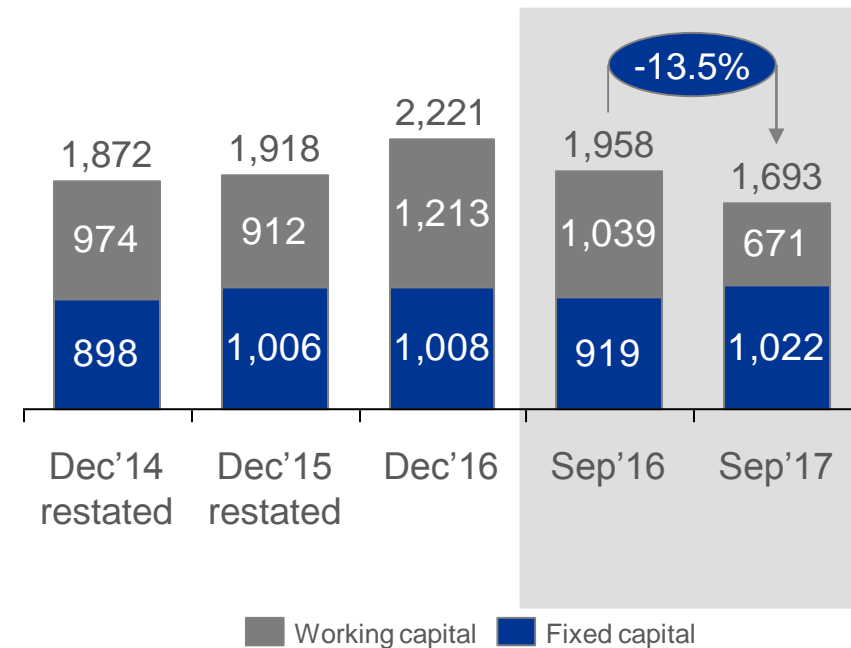


### EBITDA, S\$ Million



- Improved EBITDA due to Cotton, Ag Logistics and Infrastructure, offset by lower contribution from Wood Products

### Invested capital, S\$ Million



- Higher Fixed Capital arising from continued investments in upstream Rubber in Gabon, integrated ginning operations in Cote d'Ivoire
- Working Capital down with reduced Cotton inventory



## Key takeaways



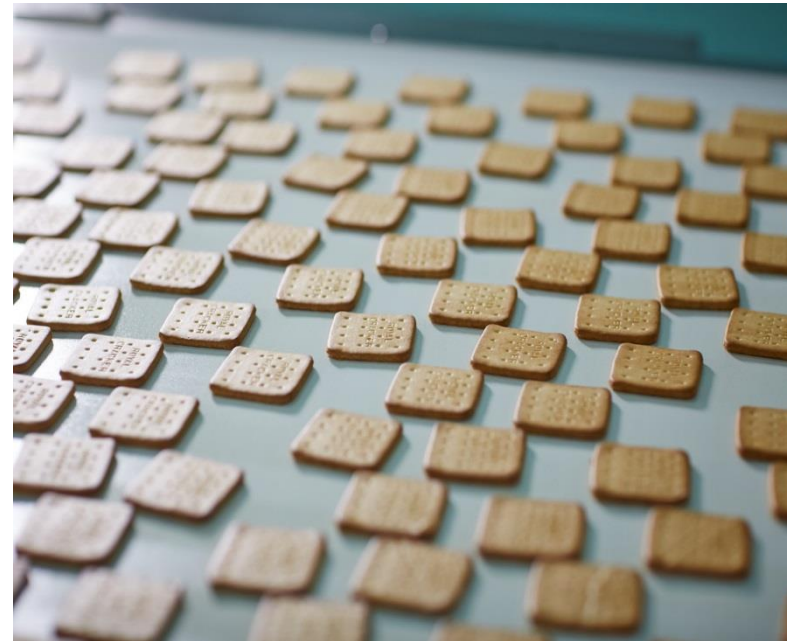
## **Key takeaways**

- **Significantly improved financial and operating performance**
- **Delivered strong free cash flow**
- **Strengthened balance sheet and liquidity position to pursue profitable growth**
- **Addressing underperforming businesses and ensuring gestating assets reach full potential**





# Appendix





# P&L statement

S\$ million	9M 2017	9M 2016	% Change
Volume ('000 MT)	14,738.6	10,205.5	44.4
Revenue	19,037.3	14,480.7	31.5
Net gain/(loss) in fair value of biological assets	(1.1)	(3.7)	(70.8)
<b>EBITDA<sup>^</sup></b>	<b>1,015.1</b>	<b>853.9</b>	<b>18.9</b>
Depreciation & amortisation	(287.1)	(246.8)	16.3
Net Finance costs <sup>^</sup>	(373.5)	(291.6)	28.1
Taxation <sup>^</sup>	(52.9)	(67.2)	(21.3)
Exceptional items	(6.2)	(12.3)	(49.6)
PAT	295.5	236.0	25.2
<b>PATMI</b>	<b>315.6</b>	<b>249.1</b>	<b>26.7</b>
<b>Operational PATMI</b>	<b>321.8</b>	<b>261.4</b>	<b>23.1</b>

# Balance sheet

S\$ million	30-Sep-17	31-Dec-16	Change vs Dec 16	30-Sep-16	Change vs Sep 16
<b>Uses of Capital</b>					
Fixed Capital	8,536.9	8,169.5	367.4	6,660.8	1,876.1
Working Capital	7,576.9	8,517.7	(940.8)	8,334.2	(757.3)
Cash	1,709.5	2,144.0	(434.5)	2,223.1	(513.6)
Others	244.5	473.5	(229.0)	805.6	(561.1)
<b>Total</b>	<b>18,067.8</b>	<b>19,304.7</b>	<b>(1,236.9)</b>	<b>18,023.7</b>	<b>44.1</b>
<b>Sources of Capital</b>					
Equity & Reserves	5,780.9	5,797.1	(16.2)	5,513.8	267.1
Non-controlling interests	213.2	235.9	(22.7)	223.9	(10.7)
Short term debt	4,299.1	5,983.0	(1,683.9)	6,330.3	(2,031.2)
Long term debt	7,908.7	7,687.5	221.2	6,230.5	1,678.2
Fair value reserve	(134.1)	(398.8)	264.7	(274.8)	140.7
<b>Total</b>	<b>18,067.8</b>	<b>19,304.7</b>	<b>(1,236.9)</b>	<b>18,023.7</b>	<b>44.1</b>

# Cash flow statement

S\$ million	9M 2017	9M 2016	YoY	2016	2015 Restated	2014 Restated
Operating Cash flow (before Interest & Tax)	1,007.7	865.1	142.6	1,243.5	1,150.8	1,148.3
Changes in Working Capital	838.2	(52.5)	890.7	(227.7)	(995.9)	(766.2)
<b>Net Operating Cash Flow</b>	<b>1,845.9</b>	812.6	1,033.3	1,015.8	154.9	382.1
Net interest paid	(396.2)	(315.7)	(80.5)	(347.7)	(478.4)	(411.5)
Tax paid	(69.5)	(61.8)	(7.7)	(48.4)	(127.8)	(65.6)
Cash from divestments	46.0	66.1	(20.1)	32.0	249.8	468.4
<b>Free cash flow before capex/ investments</b>	<b>1,426.2</b>	501.2	925.0	651.7	(201.5)	373.4
Capex/ Investments	(713.0)	(967.4)	254.4	(1,417.5)	(2,339.4)	(82.3)
<b>Free cash flow to equity (FCFE)</b>	<b>713.2</b>	(466.2)	1,179.4	(765.8)	(2,540.9)	(82.3)

